

Program 029

**SPI - Levy Equalization****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2003-05 Expenditure Authority</b>		328,627		328,627
<b>Total Maintenance Level</b>		370,089		370,089
Difference		41,462		41,462
Percent Change from Current Biennium		12.6%		12.6%
<b>Performance Changes</b>				
Levy Equalization #		(24,248)		(24,248)
<b>Subtotal</b>		(24,248)		(24,248)
<b>Total Proposed Budget</b>		345,841		345,841
Difference		17,214		17,214
Percent Change from Current Biennium		5.2%		5.2%
<b>Total Proposed Budget by Activity</b>				
Local Effort Assistance		345,841		345,841
<b>Total Proposed Budget</b>		345,841		345,841

**PERFORMANCE LEVEL CHANGE DESCRIPTIONS****Levy Equalization #**

In the 2005-07 Biennium, the levy equalization payments to school districts will be prorated at 91.8 percent. Local Effort Assistance, or levy equalization, allocations to school districts are expected to increase by \$5.6 million from the 2004-05 school year to the 2005-06 school year and by another \$4.9 million from the 2005-06 year to the 2006-07 school year.

**ACTIVITY DESCRIPTIONS****Local Effort Assistance**

Statewide, school districts receive about 16 percent of their revenue from local voter-approved property tax levies. Since some school districts have lower property values than others, local school district levy rates vary. The lower the property values, the higher the levy rates tend to be. The state "equalizes" local funds by providing matching state funds for school districts with higher than average levy rates. School districts must pass a local maintenance and operations levy to be eligible for local effort assistance funds.